

25 September 2008

William Sinclair Holdings plc
(“William Sinclair” or the “Company”)

Trading Update

William Sinclair Holdings Plc is one of the UK's leading producers of commercial horticulture and branded garden products. The Company provides peat based and non peat growing media and fertiliser products to the retail and commercial sectors.

The Company announced on 28 July 2008 that it had seen significantly escalating costs from a number of its suppliers, particularly in the areas of packaging and products such as fertilizers and oil. In addition the peat harvest in late June and the first half of July was very poor due to the adverse weather conditions at that time.

Since that announcement the weather has continued to affect the Company's performance with ongoing rain at the Company's various peat bogs in England and Scotland leading to the Company's peat harvest being significantly below expectations. The consequences of this are twofold:

- 1 The Company will not fully recover into stock the annual costs of its peat production. This will depress the reported results for the period ending 30 September 2008.
- 2 The Company's stocks of peat for the 2009 selling season are low and the Company will need to buy in more expensive alternative supplies to meet its customers' needs.

The Company now expects profits in the 15 month period to 30 September 2008 to be significantly lower than market expectations and accordingly the Company's final dividend will be significantly below last year's final dividend of 2.5p per share.

Management is taking action to strengthen its trading position for the year to September 2009 by putting in place significant price increases. The Board continues to believe that market conditions are adversely affecting all suppliers in the industry and the Company continues to be the best placed supplier for the year ahead.

Enquiries

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About William Sinclair

William Sinclair's well established brands include J Arthur Bower's, Silvaperl and New Horizon - the leading brand in the fast growing peat free garden compost and organic plant foods sector.

William Sinclair's customers include national accounts such as Weyvale, Wilkinson, Tesco, Homebase and B&Q as well as an extensive range of independent garden centres. The Company has strong asset backing, is profitable and is quoted on the Alternative Investment Market.